

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 HA-05 CIAE-00 DODE-00 PM-05 H-01  
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15  
ICA-11 TRSE-00 COME-00 EB-08 LAB-04 SIL-01 INT-05  
IO-13 /104 W  
-----110885 051204Z /23  
R 042144Z APR 78  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 9426

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E.O. 11652: N/A  
TAGS: ELAB PE  
SUBJ: LABOR UPDATE

REF: (A) LIMA 2713, (B) LIMA 2227, (C) LIMA 2631

1. METAL WORKERS AT SOUTHERN PERU COPPER CORPORATION (SPCC)  
ILO COMPLEX REMAIN ON STRIKE APRIL 3 AND EIGHTEEN ILO UNION  
LEADERS FIRED LAST YEAR CONTINUE THEIR HUNGER STRIKE (REF A).  
GOP MINISTRY OF LABOR OFFICIALS VERIFIED THAT ILO STRIKERS  
FAILED TO WORK MARCH 31 AND THEORETICALLY, SPCC COULD NOW FIRE  
STRIKERS AND HIRE REPLACEMENTS. HOWEVER, SPCC DOES NOT REPEAT  
NOT PLAN TO TAKE SUCH MEASURES SOON. SPCC'S TOQUEPALA AND  
CUAJONE MINES CONTINUE TO OPERATE NORMALLY.

2. IN ASSEMBLIES MARCH 23, WORKERS OF PERU'S CENTRAL AND SOUTHERN  
RAILROAD LINES SUSPENDED THEIR STRIKE FOR 30 DAYS (REF B). THE  
GOP AUTHORIZED A 2000 SOLES PER MONTH RAISE (ABOUT \$15.35) VICE  
6000 SOLES SOUGHT BY UNIONS. THE GOVERNMENT ALSO ORDERED THE  
REHIRING OF SEVEN OF THE TWENTY-THREE LEADERS FIRED LAST YEAR.  
NEGOTIATIONS CONTINUE ON REMAINING SIXTEEN CASES.

3. THE STATE-OWNED BOAT AND REPAIR COMPANY IN CHIMBOTE, PICSA,  
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REPORTEDLY HAS RECEIVED GOP AUTHORIZATION TO FIRE 1148 WORKERS.  
PICSA WORKERS MARCH 14 OCCUPIED THE PLANT IN AN ATTEMPTED SIT-  
DOWN STRIKE FOR A FEW DAYS, BUT THEN WITHDREW. IF MASS FIRING  
IS CARRIED OUT, THE DECISION, WILL PROVOKE PROTESTS AND  
DEMONSTRATIONS IN THE OVERCROWDED SEAPORT CITY ONLY RECENTLY  
RECOVERING FROM THE LONG AND BITTER STRIKE AT THE GOP SIDERPERU  
PLANT (LIMA 0799). UNEMPLOYMENT IN THE SLUM AREAS OF CHIMBOTE

(ABOUT HALF OF THE 300,000 POPULATION) IS ESTIMATED TO BE ABOUT 50 PERCENT. IN THE NORTHERN PORT OF TRUJILLO, ANOTHER GROUP OF FIRED WORKERS (18 TO 20) INITIATED A HUNGER STRIKE MARCH 23 TO WIN BACK THEIR JOBS. THEIR CLAIMS WERE UNRESOLVED APRIL 3.

4. LEADERS OF THE UNOFFICIAL BUT POWERFUL SCHOOL TEACHERS' UNION SUTEP HAVE APPROVED A GENERAL STRIKE OF INDEFINITE LENGTH STARTING MAY 8 CALLING FOR: 100 PERCENT SALARY INCREASES; REHIRING OF 180 FIRED TEACHERS; AND, TERMINATION OF COURT CASES (FOR STRIKE ACTIVITIES) AGAINST 500 OTHERS.

5. THE MOSCOW-LINE COMMUNIST PARTY (PCP) LABOR CONFEDERATION, THE CGTP AND MOST FAR-LEFT UNIONS AND POLITICAL PARTIES, HAVE BITTERLY ATTACKED THE GOP'S RECENT LABOR STABILITY LAW (REF C). PCP CHARACTERIZED THE NEW LAW AS SERIOUSLY HARMFUL TO THE WORKERS AND YET ANOTHER EXAMPLE OF INCREASED PERUVIAN CONCESSIONS TO THE IMF.

6. COMMENT: RUMORS ARE CIRCULATING THAT THE COMMUNISTS ARE CONSIDERING ANOTHER CALL FOR A GENERAL STRIKE SOMETIME DURING MAY. FACED WITH THE URGENT NEED TO CUT SPENDING, REDUCE SUBSIDIES, AND ALLOW FURTHER DEVALUATION OF THE SOL, THE GOP WILL FIND IT INCREASINGLY DIFFICULT TO HANDLE ANTICIPATED PROTESTS OVER "ANTI-UNION" LAWS, DECLINING REAL WAGES, RELIEF FOR FIRED WORKERS' FAMILIES AND RISING UNEMPLOYMENT. IN TERMS OF LABOR PROBLEMS, WE EXPECT THAT THE NEXT TWO MONTHS, COINCIDING LIMITED OFFICIAL USE

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WITH THE CONSTITUENT ASSEMBLY ELECTION CAMPAIGN, MAY TEST PRESIDENT MORALES BERMUDEZ' GOVERNMENT EVEN MORE SEVERELY THAN DURING THE FIRST QUARTER.  
SHLAUDEMAM

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 04 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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